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REPORT OF THE SALARY REVIEW PANEL

TO REVIEW AND RECOMMEND APPROPRIATE REMUNERATION

FOR

THE MAYOR AND ALDERMEN OF THE CITY OF HAMILTON

URBAN/MUNICIPAL

Members

Thomas F. Casey
Mark Sproule-Jones
Robert Stanbury

September 1986

15 September 1986

Mr. E.A. Simpson
City Clerk
The Corporation of the City of Hamilton
City Hall, Main Street West
Hamilton, Ontario
L8N 3T4

Dear Mr. Simpson:

We submit to the Personnel Committee of Hamilton City Council the Report of the Salary Review Panel established by resolution of Council on 15 April 1986. Council resolved at that time:

- (1) That the Business Community, the Labour Community and the Political Science Department of McMaster University be requested to volunteer a representative and to form a three member salary review panel.
- (2) That the representatives volunteered have some knowledge of salary and wage calculation and some understanding of municipal political responsibilities..
- (3) That the panel review the Currie, Coopers and Lybrand Salary Report regarding members of Council and any other documentation they deem appropriate and report back to the City's Personnel Committee on an appropriate salary level for the combined position of City and Regional Members of Council and the Mayor of the City of Hamilton.
- (4) That the Panel also recommend whether the combined positions be viewed as a full time or part time commitment.
- (5) That the City Clerk be authorized to provide all necessary meeting space, secretarial services, and support or other required by the panel to carry out this task.

Subsequently, we were appointed as representatives of the Hamilton-Brantford Ontario Building and Construction Trades Council, of McMaster University and of the Hamilton and District Chamber of Commerce respectively.

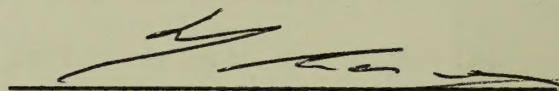
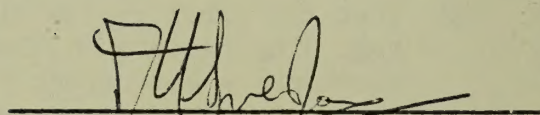
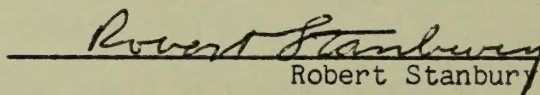
The Panel reviewed a number of documents, submissions and specially prepared studies during its 17 meetings during the Spring and Summer. We also discussed the Coopers and Lybrand Report with its author, Mr. R.J. McDowell. (An Appendix I to this Report lists the materials reviewed).

The Panel wishes to express our appreciation to you and the staff of your department, Mr. E. Matthews (City Treasurer), and Mr. S. Swan (graduate student at McMaster University) in helping us obtain necessary information.

In submitting our Report, we recommend to the Personnel Committee and to the Mayor and Council that our Report be made available to the public and that it be discussed in public at both Committee and Council stages of deliberation.

Finally, we wish to state that our recommendations are unanimous, and that the Report is a product of collegial effort by all three members.

Respectfully submitted,


Thomas F. Casey
Mark Sproule-Jones
Robert Stanbury

SUMMARY

We were asked to review a consultants' report and advise on pay for the Mayor and Aldermen of Hamilton in their dual City and Regional roles, and on whether these jobs should be regarded as full-time or part-time.

In this Summary we briefly outline our thinking and conclusions, which are more fully developed in the full text of our report. Our specific recommendations are set out in Part III of the Report.

(1) THE JOB We conclude that the roles of Mayor and Aldermen are not jobs like any other. They are unique commitments of service to the community, fundamental to its democratic government, more demanding of time and energy and rich in potential satisfaction and fulfilment than most ordinary occupations or voluntary activities.

Every citizen has the right to run for office, and we believe the community is best served when voters have the widest possible choice of candidates. It is for the people to decide at each election what kind of representation they want. To define an elected office as full-time would exclude those who feel they cannot or should not give up jobs to serve, but might be the people's choice. To say that an office is part-time might discourage those who can give it their undivided attention.

We believe the definition of an elected office as full-time or part-time is and should remain each candidate's option and the electors' choice. However, we doubt that the Mayor of Hamilton could do justice to that job while holding any other.

WE RECOMMEND THAT:

- (A) THE OPTION OF FULL-TIME OR PART-TIME SERVICE SHOULD BE LEFT OPEN TO THE ELECTORS AND THE ELECTED;
- (B) COUNCIL ORGANIZE AND SCHEDULE ITS WORK TO ACCOMMODATE THE WIDEST POSSIBLE PARTICIPATION OF CITIZENS WHO MIGHT WISH TO SERVE AS ELECTED REPRESENTATIVES OR ATTEND ITS MEETINGS.

(2) THE PAY If the jobs are difficult to compare, so are comparisons of their worth.

The main motivation for elected office is a desire to serve, not material gain. The job competition is in the polling place, not the marketplace. Whatever the pay, it will be more than some and less than others can command in their "regular" occupations. Some will give the office their full time, others will not; yet each might earn excellent performance rating at the polls. We conclude that comparisons with other occupations are not useful in establishing the value of these offices.

The consultants based their recommendations on a comparison of municipalities, but they offer no clear rationale for their choice of comparables. We looked for alternative comparisons but found valid ones elusive among municipalities which differ so widely, across Canada and within Ontario, in political structure and organization as well as size.

Each community seems to set its own standard of rewards for elected offices, based on its history, economy and culture. That seems natural. The job market for municipal candidates stops at the city limits. Cities

do not compete for the same Mayor and Aldermen. How they value these offices is a matter of local option, and there is no obvious relationship between the quality of an elected body and the remuneration of its members.

We thus reject comparisons either of occupations or municipalities as criteria for job valuation in these cases.

We conclude that the level of remuneration in effect at the last election reflects the value which Council members, challengers for office and the electorate all placed on the job. If any mid-term adjustment is now felt to be justified in light of the previous Council's failure to address the issue, we suggest the best guide for such adjustment is the example set by Regional Council.

We do not favour an automatic annual formula increase. We suggest as general rules that Council remuneration should rise only in step with the citizen's ability to pay, only after open public debate, and only at the beginning of a term of office.

WE RECOMMEND THAT:

- (A) ANY CHANGE IN REMUNERATION OF MAYOR OR ALDERMEN TAKE EFFECT ONLY AT THE BEGINNING OF A TERM OF OFFICE AFTER DEBATE AND DECISION ENTIRELY IN OPEN PUBLIC SESSION OF THE PREVIOUS COUNCIL BEFORE JUNE 1 OF AN ELECTION YEAR;
- (B) IN THE INTERIM, SALARIES OF THE PRESENT MAYOR AND ALDERMEN (IN THEIR CITY CAPACITIES) SHOULD BE INCREASED BY 2.9% EFFECTIVE FROM THE BEGINNING OF THEIR TERM OF OFFICE, AND DURING THE REMAINDER

OF THE TERM THEY SHOULD RECEIVE THE SAME PERCENTAGE INCREASES (IF ANY) ADOPTED BY REGIONAL COUNCIL, PROVIDED THAT EACH SUCH INCREASE BE DEBATED IN OPEN PUBLIC SESSION;

- (C) ANY INCREASE FOR THE COUNCIL ELECTED IN 1988 AND FOR EACH FUTURE COUNCIL SHOULD NOT EXCEED THE PERCENTAGE INCREASE IN TOTAL PERSONAL INCOME OF HAMILTON RESIDENTS DURING THE LATEST THREE YEARS REPORTED BY REVENUE CANADA, UNLESS RECOMMENDED BY A CITIZENS' REVIEW PANEL APPOINTED IN JANUARY OF THE ELECTION YEAR WHOSE REPORT IS MADE PUBLIC BEFORE APRIL 1 OF THAT YEAR.

(3) THE PROCESS Council remuneration is public business. It is not, in our opinion, a "personnel matter" appropriate to be discussed or decided in private.

The terms of employment of elected representatives are of vital interest to electors, who should have ample opportunity to express their views on any proposals for change.

WE RECOMMEND THAT:

- (A) THIS REPORT BE RECEIVED BY PERSONNEL COMMITTEE AND COUNCIL IN OPEN PUBLIC SESSION;

- (B) ANY DEBATE AND DECISION ON ITS SUBJECT MATTER, AND ANY FUTURE DEALING WITH COUNCIL COMPENSATION AND RELATED MATTERS, BE ENTIRELY IN OPEN PUBLIC SESSION.

Please refer to the full Report for details.

I Municipal Government and the Roles of Mayor and Aldermen

- (1) Municipal Government poses special challenges to its elected officials. Four of these challenges are pertinent for understanding the responsibilities of the offices of Mayor and Aldermen. First, local elected officials must work within the legal and financial frameworks established by another level of government - in the case of Hamilton and other Ontario cities by the Provincial government in Queen's Park. There is often a gap between what elected officials would like to do to respond to citizen concerns and problems and what they can do within the parameters of Provincial controls.
- (2) Secondly, municipal governments are only one type of "local government" that exists in the Canadian political system. Provinces have seen fit to create special purpose bodies, like school boards, to provide particular services to their citizens. Provinces and the Federal Government also maintain large regional networks of their own agencies to provide services directly to citizens. The Ontario Housing Corporation and the Canada Mortgage and Housing Corporation are examples in the housing sector. Municipalities themselves often create special purpose bodies to deal with particular services and issues. Municipal elected officials must therefore bear some responsibility for coordinating policies among these varieties of "local governments", and for representing the concerns of their electorate to other governmental bodies.

(3) Thirdly, the Province of Ontario engaged in a large scale restructuring of municipal government in the 1970's by creating a new tier of government, the Regional Municipality. In the case of Hamilton and Wentworth County, the Regional Municipality of Hamilton-Wentworth was created in 1974, and the Province reassigned service functions between the City and its Regional partner. The Mayor and all of Hamilton's Aldermen now serve as members of the Council of the Regional Municipality. Thus, Hamilton elected officials represent both Regional and City concerns, and the responsibilities of the two roles are co-mingled and interrelated.

(4) Finally, the City of Hamilton and Regional Municipality of Hamilton-Wentworth not only deliver services to the residents of the City but they also regulate land uses, businesses, special events and other activities of their citizens. The delivery of services poses challenges in terms of the administrative oversight of City and Regional Departments and their employees. The formulation and implementation of regulations pose additional challenges. Regulations affect the wealth, well being and life-styles of a large heterogenous population.

(5) In this context, the roles of the Mayor and Aldermen of the City of Hamilton are an amalgam of four duties and responsibilities:

- A Representative Role: The Mayor and Aldermen represent the concerns and interests of their electorates at City Hall, at

the Regional Municipality and before other governmental bodies, including the Province.

- A Policy Making and Coordination Role: City and Regional Councils help establish and modify the delivery of services and regulations within their municipal boundaries.
- An Administrative Oversight Role: Councils oversee the operations of their chief administrative officers and subordinate staffs, and ensure that complaints of maladministration and bureaucratic insensitivities are treated with dispatch and consideration.
- A Ceremonial Role: The Mayor and, to a lesser degree, the City Council, play a role of symbolic and emotional value to citizens in representing the Municipal Government at events in the City, the Province and the Nation.

- (6) The responsibilities of municipal elected office are thus unlike the responsibilities of other municipal "jobs" or private sector "jobs". To a degree, they are specific to the Hamilton and the Hamilton-Wentworth Region, and different from the responsibilities of elected office of other governmental bodies.
- (7) However, they share an important characteristic of all elected offices. Recruitment to office and dismissal from office are

ultimately determined by the electorate, either on a ward basis for the Alderman or at large in the case of the Mayor. While a remuneration and compensation package can affect recruitment and retention of elected officials, we must seek the basic principles of salary setting in the nature of representative democracy rather than in the supply and demand of the labour market. We reject the notion that the job of an elected official is comparable to that of a union official, a company executive or a university professor to take three examples. We thus address below the principles of representative democracy pertinent to the "jobs" of Aldermen and Mayor and to their levels of remuneration.

II Principles of Representative Democracy

(8) Examination of the nature of representative democracy reveals three broad principles, all of which are pertinent for understanding the bases of remuneration for elected officials and, in turn, our recommendations in this Report.

(9) The first principle is that **our representatives must be chosen, disciplined and controlled by those whom they represent** - in this case through the triennial election process. This principle forms the basis for our recommendations about:

(a) the adequacy of salaries for the Mayor and Aldermen;

(b) the timing of any salary increase;

(c) the effectiveness with which our representatives discharge their tasks, in particular whether full- or part-time status is necessary for effective representation.

These three inferences are explained in paragraphs 10 - 14 below.

(10) Elections are a critical time in the renewal of any government. They are a time when popular control over representatives is fully exercised. They are a time when new candidates offer and test ideas and proposals before the public. They are a time when incumbents

must rejustify their contributions to government and their community. They are, in short, a time for legitimating the accountability and commitment of the representatives to the represented.

- (11) At election time, members who seek re-election and their challengers for public office are aware of the compensation package available to the successful candidates. The electorate proceeds on the assumption that the candidates would not seek office were the compensation package insufficient. Candidates who perceive that the package may be inadequate are free to campaign and justify increases. The accountability and commitment of the elected representatives to those whom they represent can be placed at risk if compensation is significantly altered between electoral terms. Because a public debate on the adequacy of remuneration of the Hamilton Council did not take place during the elections of 1985, we must proceed on the basis that the successful candidates made a commitment to serve their community for salaries and fringe benefits that were known and approved by the electorate. A tacit contract may be said to have existed between the elected and the electorate.

- (12) Moreover, we reason that the appropriate time for significant changes in the remuneration of Mayor and Aldermen should take place at the beginning of their terms of office and remain in force during those terms. Accountability and commitment, as we noted above, are primarily exercised during the triennial election period. We regret that a full public debate did not take place in 1985 on the

recommendations of the Coopers and Lybrand Report commissioned by Council. We recommend (paragraphs 34 - 35) changes in the process for public consideration of the adequacy of remuneration in future years.

(13) Subject to certain important qualifications noted in paragraph 27, we conclude that the current remuneration levels for the Mayor and Aldermen be considered adequate, and that major changes in these levels not take place before the new Council is elected in 1988.

(14) From our first principle of representative democracy - that the electoral process is the major method of ensuring accountability and commitment of our representatives to the represented - we also conclude that the adequacy of time spent discharging the duties of office is a matter for the electorate to determine. We note that some persons consider the office of Alderman to be a full time position and that others consider it to be part time. While we make some recommendations (paragraphs 32-33) about the organization of the work of Council, we have no ready test to determine whether full or part time status is sufficient for effective representation. The test must remain, we believe, in the perceptions of the electorate and their voting behaviour every three years. We believe, however, that the office of the Mayor of Hamilton requires full time status, and note that the Mayor does receive a greater compensation package than do Aldermen for discharging his or her duties.

(15) We find that there are two other important principles of representative democracy that influence our reasoning. The second principle is that our representatives should reflect to some degree the characteristics of the community they represent. One would not wish certain sections of the community to be excluded from candidacy because of salary considerations alone. The financial rewards of elected office will always be less than the financial rewards possible in private life for some officials, and they will always be greater than those available for others. Our concern is that the Council represents a broad cross section of persons in the community, and we are pleased that such a cross section currently exists on the Hamilton City Council. This reinforces our general conclusion about the adequacy of the current remuneration package.

(16) Our third and final principle of representative democracy is that representatives must be continually responsive to the desires and interests of their constituents. This places an obligation on the elected officials to offer sound reasons for their decisions and to assure that those reasons generally match those of their constituents. It is insufficient for the electorate merely to accept or reject the decisions of their representatives at election time. This principle, we believe, is important for our recommendations about:

- (a) the role of each local community in establishing the adequacy of remuneration levels;

- (b) the organization of the work of Council, their relations with the non-elected staff of the Municipality, and the facilities available for the discharge of those duties; and
- (c) the process through which future recommendations about the representation levels for elected officials are considered, debated and approved.

These inferences are explained in more detail in paragraphs 17 - 22.

- (17) Our third principle of representative democracy implies that the priorities of Council must be set in response to the interests and preferences of the represented. The represented - the citizens of Hamilton - have their own interests and preferences which differ from the interests and preferences of other cities. Every community has its own special traditions, histories, economic and social structures and problems of pressing and modest concern. The adequacy of remuneration levels for Council should be established as a result of a dialogue with the citizens of Hamilton. We reject the notion of comparability with other communities as a way to establish remuneration levels of elected officials; they are appropriate for labour market positions not those of community representatives. (Because of the controversial nature of this inference, we devote more space in Part IV to the comparability approach and the results of our own salary survey). The City of Hamilton, we reason, must establish its own rationale for adequate remuneration levels, independent of experience elsewhere.

(18) Much of the work of Council between elections is taken up with administrative oversight as well as with policy making and coordination. The third principle of representative democracy implies that these roles cannot be simply discharged by non-elected staff. Programmes and their administration must be continually explained, justified and, if need be, modified through discussions with the voters. This inevitably creates tensions within the municipal organization about the proper roles of the Chief Administrative Officer and his department heads. However, we note that Council has rejected the Board of Control system and uses an Executive Committee and Chief Administrative Officer to supervise staff functions. We believe that Council should again examine both the responsibilities and number of its committees, and clarify the authority of the Chief Administrative Officer to assign and reorganize job and departmental functions amongst staff.

(19) The third principle of representative democracy - that elected officials must be continually responsive to the electorate between election periods - allows us to make some further statements about the facilities available to Council. The Coopers and Lybrand Report recommended improvements in the office facilities and secretarial aid available to the Aldermen. We agree that adequate private space should be available to Aldermen when they discuss constituent concerns, and that secretarial aid should be available when required.

(20) We note that committee meetings at the City and Regional level are not only numerous (more than 180 per year) but take place throughout the course of the day. We find that the timing of so many committees during the normal working day may be detrimental to the third principle of representative democracy as well as making service difficult for some Aldermen preferring to retain their private jobs. Committee meetings should, we believe, be held as much as possible at times convenient for the electorate to attend and participate.

(21) The third principle of representative democracy (as well as the first) allows us to make some inferences about the processes of establishing future salaries and fringe benefits for the Mayor and Aldermen. We believe that a citizens committee and then full Council debate play an essential role in ensuring responsiveness of Council to the electorate. Approval of remuneration levels at election time is insufficient; remuneration policies must be discussed, debated and justified. We do not believe that formulae for automatic annual increases grant sufficient opportunities for public scrutiny to merit adoption in the City of Hamilton. We note that eight of the 23 municipalities surveyed by this panel use citizen committees as a method for recommending salary adjustments.

(22) The three principles of representative democracy and the inferences they permit allow us to make a number of specific recommendations for changes in the remuneration levels for the Mayor and Aldermen of the City of Hamilton. These are contained in our next section.

III: SPECIFIC RECOMMENDATIONS

- (23) We recommend that no major increase in salary levels for the Mayor and Aldermen take place until December 1988 (after the next municipal election) and that salary levels be fixed at the same level throughout the term 1988-1991.
- (24) We recommend that at that time a salary increase be based on what the residents of the City of Hamilton can afford to pay.
- (25) We recommend that the ability to pay be measured by the three year increase in the total money income of residents of the City as reported on income tax returns and published by Revenue Canada in their annual publication, Taxation Statistics.
- (26) Because of a two year lag in publication of this document by Revenue Canada, we cannot recommend an increase based on the three years of 1986, 1987 and 1988, but recommend an increase based on the three years of 1984, 1985 and 1986. We find that the Revenue Canada Statistics are the only comprehensive and relatively reliable measures of increases in total money income. Publications of Statistics Canada and other government agencies are inappropriate because:
- (a) Estimates of Labour Income exclude self employed income and military pay, and are not disaggregated by city;

- (b) Census of Canada data are too delayed in publication to be of value, and are difficult to access on a City of Hamilton basis;
- (c) National Income and Expenditure Accounts do not disaggregate money incomes by province or city;
- (d) Increases in the assessment and market value of property in the City are available from the City's own resources, but these statistics exclude non-property income gains and losses.

We note for information purposes only that the last three years' increase in total income for the City of Hamilton, for which data are available, amount to 17.76% (1981-1983). We anticipate a comparable increase in the total City income in the three years of available data before the 1988 increase.

- (27) We recommend interim increases in salary levels backdated to December 1985, when the present Council assumed office. We do so on the grounds that the 1982-1985 Council failed to publish, debate and create a public dialogue on remuneration levels that could have been part of the 1985 election process. The present Council should not bear full responsibility for the failure of the previous Council.
- (28) For the year December 1985 through November 1986, we recommend an interim increase of 2.9%, which is the increase adopted by Regional Council. For the two years for December 1986 through November 1988, we recommend that the Council be granted increases equivalent in

percentage terms to the increases that may (or may not) take place at Regional Council. The proposed salary levels are listed in Appendix III to this Report.

- (29) We recommend that the total increase of interim adjustments for 1985-1988 be included in the total increase for 1988-1991. Put another way, the three interim increases for 1985-1988 would be folded into the total increase available for the full term of 1988-1991. As a hypothetical example, and for information purposes only, if the three year increase in total community income indicates a 20% increase in 1988, and if interim adjustments amount to 9%, then the increase available for 1988-1991 would be 11%.

- (30) We recommend no changes in the fringe benefits available to Council. We note that members of Council are covered by the Ontario Municipal Employees Retirement System and by a Supplementary Retirement Plan that has not been adopted by other Councils in the Province. The current year cost of the latter is \$1470 for each member of Council.

- (31) We also note that one-third of the salary of the Mayor and Aldermen is tax free.

- (32) We recommend that Council re-examine the number and responsibilities of its committees, and the number, length and scheduling of meetings to make them more readily accessible to citizens and to elected representatives who wish to retain their private job occupations.

(33) We recommend that Council consider means to ensure that each Alderman has sufficient private working space to carry out his or her duties, and to ensure that secretarial assistance is sufficiently flexible for the discharge of duties by Aldermen.

(34) We recommend that this Report be debated in public in the Personnel Committee and the full Council.

(35) We recommend that should Council wish to consider, beyond 1991, changes in the standard recommended in paragraph 25, it adopt the following procedure. City Council would establish a new Citizens Salary Review Panel to report, by 1 April 1991, on appropriate remuneration levels for the Council term of 1991-1994. Council would then publicly debate the report of this new Review Panel and adopt, by 1 June 1991, recommendations for implementation effective December 1991. A similar procedure is recommended for any future such review.

IV THE COMPARABILITY APPROACH
AND OTHER SCHEMES OF REMUNERATION

- (36) We examined the comparability approach in detail, examined the use of this approach by Coopers and Lybrand and by other municipalities and reject its validity for establishing salaries for municipal elected officials. We conducted our own salary survey for purposes of information and verification.
- (37) We find that the comparability approach violates our third principle of representative democracy, namely that a continuing dialogue of interests and concerns must take place within each community between the electorate and their representatives. Unique patterns of dialogue and interaction develop within each community in response to the needs and preferences of citizens in that community. Moreover, the job of an elected official is not like an occupation for which comparable salaries are immediately necessary for recruitment and retention.
- (38) In more practical terms, we can find only one municipality which is comparable in terms of responsibilities to that of the City of Hamilton. Our reasoning is as follows:
- (a) Because the responsibilities of municipalities differ from one province to the next, we cannot compare municipalities in Ontario with those in other provinces. Municipalities in Ontario administer certain functions of government that may in

other provinces be administered directly by provincial agencies. Municipalities in other Provinces sometimes administer programmes that are administered in Ontario by the Provincial Government.

- (b) Because of the creation of two-tier municipalities in much of Ontario, we cannot validly compare a lower-tier municipality like the City of Hamilton with a municipality that has responsibilities comparable to both tiers. This excludes comparisons with London and Windsor, for example.
- (c) Because each two-tier municipal system in Ontario divides responsibilities between upper and lower tier municipalities in differing ways, we can only validly compare the combined city and regional salaries of Hamilton officials with the combined city and regional salaries of other municipalities. One cannot validly compare our City salaries with those of selected other cities, and then compare our Regional salaries with selected regions containing different cities. This procedure, adopted in the Coopers and Lybrand Report, ignores differing responsibilities at the two tiers of local government in differing regions.
- (d) Again because responsibilities differ, one must exclude from comparisons those municipalities that use a Board of Control system.

- (e) The responsibilities of office also depend on the size of city. Workloads of Aldermen and Mayors are partly set by the number of constituents they represent, and by the number of Aldermen elected to share the duties of ward representation. Thus one would want to standardize salaries by population (cents per ward population for aldermen, and cents per city population for Mayor) and by the number of aldermen per ward, in order to make appropriate comparisons.

With all of these qualifications, only three cities might be seen to be comparable with Hamilton (Mississauga, Ottawa, Toronto), and two other considerations reduce the set of comparison cities to one (Mississauga):

- (a) The National Capital Commission of its Federal Government provides many "local-type" services to the residents of Ottawa;
- (b) One-half of the Toronto Aldermen are now directly elected to the Metro (upper-tier) government. This permits some job splitting between the Aldermen elected from each City of Toronto ward. Hamilton Aldermen still retain City and Regional roles.

(39) In Appendix II, we summarize the results of our salary survey irrespective of the previous qualifications. We see that Mayors and

Aldermen are paid differently in all 23 cities. If we compare on a cents per city population basis (for Mayor) and on a cents per ward population basis (for Aldermen), then we get different results. And if we simply compare Mississauga with Hamilton as the closest comparison city, we find that Hamilton Aldermen are paid more than Mississauga Aldermen (\$1.41 per citizen compared with \$1.21) and that the Mayors of both Councils are paid the same (\$0.18 per citizen).

(40) We conclude that the comparability approach is not justified on the basis of a single city comparison, which in any event would not indicate that an increase in salaries is merited.

(41) Another measure of remuneration used in some other municipalities is the Consumer Price Index compiled monthly by Statistics Canada. We reject using this measure as a basis for salary adjustments. It does not reflect the ability to pay of Hamilton residents. It is not linked with any principle of representative democracy.

(42) We examined and reject any scheme for paying Council a bonus based on attendance at Council and committee meetings on the model of the Greater Vancouver Regional District and some other municipalities. We do so for two reasons:

(a) attendance at roll call may not accurately indicate attendance throughout the meeting or contributions made at the meetings;

- (b) it creates incentives for additional meetings which may not be fully productive.

Appendix I: Sources of Evidence Reviewed by Panel

Statistical Documents:

Canadian Statistical Review, Statistics Canada, 1979-1980.

Taxation Statistics, Revenue Canada, 1985.

Estimates of Labour Income, Statistics Canada, 1979-1985.

National Incomes and Expenditure Accounts, Finance Canada,
1970-1984.

Family Expenditures in Canada, Statistics Canada, 1978, 1982.

Census of Canada. 1981, Statistics Canada.

Consumer Prices and Price Indexes, Statistics Canada. (March)
1986.

Municipal Directory 1985, Minister of Municipal Affairs
(Ontario), 1986.

Citizens Committee Reports: on Council Remuneration

City of Scarborough, 9 October, 1985.

City of Edmonton, 12 February, 1986.

City of North York, 30 November, 1984.

Town of Markham, September, 1985.

Surveys of Salaries of Municipal Officials

Panel's own Telephone Survey, May-June 1986, 23 cities.

Municipal Dimensions: Survey - Salaries of Municipal Officials...., Canadian Federation of Municipalities, 1985.

Also see Coopers and Lybrand Reports 1986 below.

Written Submissions by Citizens of Hamilton

Mrs. M. Polko, 29 May, 1986

Gord Cunningham, 12 June, 1986

Miss F. Joan Lambier, 2 June, 1986

Miss M. Murphy, 31 May, 1986

Eleanor Fyfe, 29 May, 1986

E.M. Blake, 2 June, 1986

Bill Powell, 2 June, 1986

Coopers and Lybrand Reports

The City of Hamilton: Report Recommending Compensation for Elected Officials, R.J. McDowall, 6 February 1986 (also interview with author on 14 June, 1986).

The City of Hamilton: Report Recommending Fair Equitable Salary Ranges for 1986, R.J. McDowall and C. Taccone, 3 September, 1985.

Documents from the Regional Municipality of Hamilton-Wentworth

Report of the Finance and Personnel Committee, 10 April, 1986,
as amended 15 April, 1986.

Council Minutes, 15 April, 1986.

Documents from the City of Hamilton

City Council Salaries, Historical Summary 1928-1984.

9th Report of the Board of Control, 30 Jan., 1979.

By-Law No. 74-224, Allowances to the Mayor and Members of
Council, 24 Sept. 1974.

By-Law No. 79-60, Payment of Remuneration to Members of
Council, 13 February, 1979.

Deferred Income Plan, Report of the Personnel Committee, 27
Nov., 1984.

Report of the Personnel Committee, 8 April, 1986.

7th Report of the Personnel Committee, 30 July, 1985.

City of Hamilton Procedural By-Law, By-Law No 82-203.

Meeting Schedule(s) of Councils and Standing Committees, City
Clerks Dept.

City Council and Committees, Attendance Records, 1984.

2nd Report on Time Spent by Alderman Brian Hinkley, April,
1984.

Resolutions of Council on the fifth report of the Personnel
Committee of April 1986, 11 April, 1986.

Ontario Municipal Employees Retirement System, n.d.

Rateable Assessment and Related Market Value, 1979-1986.

Newspaper Reports, Editorials and Letters to the Editor

The Spectator, 10, 12, 13, 16, 17, 29, 31 Jan and 2, 13, 14, 23 February 1979.

The Hamilton Spectator, 10, 11, 14, 15, 16, 17 April, 2, 22, 23 May 1986.

The Toronto Star, 21 April 1986.

Hamilton Mountain News, 16 April 1986.

APPENDIX II: COMPARISONS WITH OTHER MUNICIPALITIES

We compared the combined City and Regional Salaries of the Aldermen and Mayor of Hamilton with the combined salaries for Aldermen and Mayors of 23 other municipalities (see paragraph 39). We selected the cities as follows:

- (a) We included all municipalities and regions selected by the Coopers and Lybrand Report.
- (b) We added Windsor and London as two larger cities excluded from the Coopers and Lybrand study.
- (c) We added East York as this was one of the municipalities used for comparisons by the City in 1979.
- (d) We included the large four western cities of Vancouver, Edmonton, Calgary and Winnipeg.

When reading the table, the combined salary for the Mayor and Aldermen may appear to be greater or less than other municipalities. However, the key columns to read are columns 3 and 6 where we standardize the figures by the number of persons represented. In column 6, we standardize the remuneration levels by the number of aldermen/ward as well as by population. Columns 3 and 6 thus offer comparisons based on the costs of representation per city resident.

1986: SALARY COMPARISONS: CITY AND REGIONAL LEVELS

	POPULATION	COMBINED SALARY OF MAYOR (\$)	MAYOR'S SALARY ¢/PERSON	AVG. # OF PEOPLE (PER WARD)	COMBINED ALDERMAN'S SALARY (\$)	*ALDERMAN'S SALARY ¢/PERSON X REPRESENTATION
Hamilton	307,690	55,573	.18	38,461	27,187	1.41
Etobicoke ¹	296,767	55,527	.19	59,353	7,750	-
North York	560,443	54,144	.09	40,031	38,580	.96
Scarborough	435,980	60,117	.14	31,141	38,867	1.24
Toronto ²	614,763	70,173	.11	55,887	41,308	.74
Oshawa	118,845	49,760	.42	11,884	26,060	4.38
Burlington	113,158	49,714	.44	14,144	25,350	3.58
Niagara Falls ³	70,563	--	--	17,640	--	--
St. Catharines ⁴	123,644	40,064	.32	20,607	18,581	--
Ottawa	303,244	63,241	.21	20,209	37,466	1.85
Brampton ⁵	154,981	57,933	.37	14,089	--	--
Mississauga	324,853	57,663	.18	36,094	43,797	1.21
Sudbury	91,388	46,144	.50	10,154	15,278	1.50
Kitchener	141,438	52,548	.37	14,143	25,548	1.81
Waterloo	57,412	37,551	.65	at large	18,581	--
Markham ⁶	81,932	59,425	.72	10,241	--	--
Stoney Creek ⁷	37,481	28,968	.77	5,354	22,837	--
East York ⁷	100,121	48,297	.48	25,030	29,947	--
Windsor	195,028	51,510	.26	39,056	20,408	1.04
London	266,319	55,301	.21	38,045	16,500	.87
Vancouver	414,281	54,395	.13	at large	21,175	--
Edmonton	560,085	53,000	.09	93,347	23,500	.50
Calgary	619,814	68,879	.11	44,272	23,171	.52
Winnipeg	564,473	56,524	.10	19,465	20,473	1.05

* Some wards have two or more representatives

¹ Only the mayor plus 4 controllers elected directly

² Elect metro councillors directly, 1 for each of 11 wards

³ No representatives from city council sit on the regional body

⁴ Mayor only sits on regional council

⁵ Mayor only plus 4 controllers elected directly

⁶ Mayor plus 4 controllers elected directly

⁷ Mayor plus 1 regional councillor elected directly

APPENDIX III: CURRENT AND PROPOSED SALARY LEVELS

YEAR ONE

		<u>Current Salary</u>		<u>Recommended Salary:</u> <u>1 Dec 85 - 30 Nov 86</u>	
Mayor	City Salary	34,943.48	(+2.9%)	35,956.84	
	Hydro Commissioner	6,000.00		6,000.00	
	Regional Salary	14,629.00		14,629.00	
	Total	55,572.48		56,585.84	
Aldermen	City Salary	12,558.00	(+2.9%)	12,922.18	
	Regional Salary	14,629.00		14,629.00	
	Total	27,187.00		27,551.18	

YEAR TWO: RECOMMENDED SALARY (1 Dec 86 - 30 Nov 87)

Percentage increase of Mayor's and Aldermen's salaries for 1985-86 equal to percentage increase in Regional Council salary for 1986.

YEAR THREE: RECOMMENDED SALARY (1 Dec 87 - 30 Nov 88)

Percentage increase of Mayor's and Aldermen's salaries for 1986-87 equal to percentage increase in Regional Council salary for 1987.

YEARS FOUR, FIVE AND SIX: RECOMMENDED SALARY (1 December 1988 - 30 November 1991)

Percentage increase in current 1986 salaries equal to percentage increase in total money income of City of Hamilton for the three years 1984, 1985 and 1986 (as reported by Revenue Canada) less any percentage increases during years one, two, and three.



